VZCZCXRO3471 OO RUEHBI RUEHCI RUEHDBU RUEHLH RUEHPW DE RUEHEK #0267/01 0890820 ZNY CCCCC ZZH O 300820Z MAR 09 FM AMEMBASSY BISHKEK TO RUEHC/SECSTATE WASHDC IMMEDIATE 2028 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUCNCIS/CIS COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 3016 RHEFDIA/DIA WASHDC RUEKJCS/OSD WASHDC RUEAIIA/CIA WASHDC RHEHNSC/NSC WASHDC RUEKJCS/SECDEF WASHDC RUEKJCS/JOINT STAFF WASHDC RUEHGV/USMISSION GENEVA 1315 RUEHVEN/USMISSION USOSCE 3356 RUCNDT/USMISSION USUN NEW YORK 2742 RUEHNO/USMISSION USNATO BRUSSELS BE RUEHBS/USEU BRUSSELS RUEHLMC/MILLENNIUM CHALLENGE CORP RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL

C O N F I D E N T I A L SECTION 01 OF 02 BISHKEK 000267

SIPDIS

DEPT FOR SCA/CEN

E.O. 12958: DECL: 03/30/2019 TAGS: <u>PGOV PREL EAID KG</u>

SUBJECT: AMBASSADOR HOSTS BRIEFING ON MILLENNIUM CHALLENGE PROGRAM FOR KYRGYZ FOREIGN MINISTER

REF: A. BISHKEK 246

_B. BISHKEK 237

_C. BISHKEK 195

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Classified By: Ambassador Tatiana C. Gfoeller, Reasons 1.4 (b) and (d).

- 11. (C) SUMMARY: Ambassador hosted Foreign Minister Sarbayev and USAID's Millennium Challenge Account Threshold Program Advisor for an informal meeting to review the Threshold Program. Discussion focused on progress to date, how MCC's indicators work, and the desire for strong cooperation. Sarbayev conveyed a message from President Bakiyev that the government seeks to ensure appropriate state regulation of NGOs but not to direct their activities, confirming the suspicion that restrictive proposed amendments to Kyrgyzstan's NGO law (Ref C) have been instigated by the President. End Summary.
- 12. (SBU) Foreign Minister Sarbayev met with Ambassador and USAID's Millennium Challenge Account Threshold Program Advisor Undeland on March 25 for the third of a series of informal meetings to increase understanding of the purpose and modalities of U.S. assistance programs. Undeland provided an overview of how Kyrgyzstan's Threshold Program was developed and implemented as well as a status report on work accomplished in the Program's three areas of judicial, police, and criminal justice reform. Sarbayev took particular note that less than a third of the Program's budget was for material assistance. Ambassador noted that Kyrgyzstan had made significant progress in carrying out its Threshold Program, particularly in enacting structural reforms of the judiciary.
- 13. (SBU) Sarbayev was most interested in how MCC derived its indicators and what was needed for Kyrgyzstan to become eligible for a Compact. He was disappointed to see Kyrgyzstan's low scores on controlling corruption and rule of law, noting that it would take a long time to raise those scores. He was skeptical about the objectivity of MCC's indicators, expressing doubt that Armenia, Georgia, and

Mongolia had markedly improved governance when compared to Kyrgyzstan, as had been reflected in the indicators. (Note: We will prepare background information for Sarbayev about the governance indicators and the scores of the three mentioned countries over the past few years. End Note.)

- ¶4. (SBU) Sarbayev noted the Kyrgyz government's strong interest in collaboration with the U.S. on its assistance programs, including the Threshold Program, to develop the country, noting that the Kyrgyz "wanted to live well too." He emphasized that there should be less criticism, such as that given by NDI, and more cooperation.
- 15. (C) Sarbayev stated that President Bakiyev had directed him to convey the government's position on regulation of NGOs. The position is that the government has no intent to be directing NGOs' activities, but that it needs to ensure adequate state oversight, particularly with regard to NGOs' financial reporting and tax payments. He noted that NGOs often did not report foreign funding and hence evaded taxation. During earlier discussion of the police reforms, Sarbayev had criticized some prominent NGOs as non-constructive and irresponsible. He questioned some NGOs' motives, hinting that they were acting at the direction of foreign funding sources.
- 16. (C) COMMENT: Sarbayev was well-disposed towards the Threshold Program and noted the comments praising Kyrgyz implementation to date. He showed desire for increased engagement with U.S. assistance programs for the betterment of the country. His comments on NGOs confirm widespread opinion that amendments proposed by MPs to place more restrictions on NGOs were directed from President Bakiyev's

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office. GFOELLER